

FISCAL NOTE
HB 885 - SB 1250

February 14, 2007

SUMMARY OF BILL: Authorizes any county legislative body to impose a realty transfer tax.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Impact to local governments is dependent upon the number of adopted county resolutions and the rate imposed on each transfer of property. To the extent 50% of all Tennessee counties adopt the necessary resolutions and impose realty transfer taxes at the established state rate, there would be a permissive increase in local government revenues of \$74,750,000.

Assumptions:

- Any increase in local government revenues is permissive.
- This bill provides local governments with the taxing authority on property transfers within their jurisdictions.
- Counties use state realty transfer tax rate of \$0.37 per \$100.00.
- State realty transfer tax collections for FY06 were approximately \$149,500,000.
- Impact to local governments is dependent upon the number of adopted county resolutions and the rate of tax imposed on each transfer of property.
- To the extent 50% of all Tennessee counties adopt the necessary resolutions and impose realty transfer taxes at the established state rate, local government revenues could increase by \$74,750,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

HB 885 - SB 1250